

requests made upon it. The third stage has now been reached, and the delegations are hard at work on detailed tariff negotiations, item by item. Bargaining on particular items is usually conducted with the principal supplier, but in some instances a product may be the subject of negotiations with more than one supplier. However, each country will be entitled as a matter of right to every tariff reduction made by every other participating country. This is important to Canada. It means that we will receive the benefit of all concessions made both to ourselves and to others.

If advance plans are carried out without change, each participating country will sign a "General Agreement on Tariffs and Trade" at the conclusion of the Geneva Conference. It is intended that this document reproduce many of the provisions of the International Trade Organization Charter, in particular those which relate directly to tariffs, preferences and quotas. It is also to include schedules of all tariff concessions which have been negotiated. There is to be one schedule for each of the participating countries, including Canada.

The Geneva Conference is an ambitious undertaking. Never before have multilateral negotiations been conducted on such a wide scale. The outcome is of major importance to Canada, and to all other countries with a large stake in world trade.

Statements made in the House of Commons by various members of the Government have made it clear that Canada will contribute her full share in the general give and take which will be necessary to reach a mutually satisfactory agreement. It has been made equally clear that the new arrangements must be mutually advantageous, and that Canada does not intend to give up advantages which it now enjoys -- I am thinking particularly of Empire Preferences -- except for something which is better for all concerned.

I hope and trust that at Geneva an agreement will be reached which will provide for substantial tariff reductions by each of the participating countries, to the advantage of all. Such an agreement would clear the way for completion of the International Trade Organization Charter, and for its acceptance by most or all of the United Nations at the forthcoming International Trade Conference. It is only at this final stage, that is, at the general International Trade Conference to be held this fall, that governments will be asked to make binding commitments in respect of the Charter as a whole.

The achievement of an expanding volume of trade and rising standards of living throughout the world require effective international cooperation in respect of each important phase of economic policy. Accordingly, it is proper that the Charter of the International Trade Organization should contain provisions establishing a code of behaviour relating to commodity agreements, international cartels, maintenance of employment, encouragement to economic development, state trading, customs administration, and such direct barriers to trade as tariffs and quotas.

In dealing with such a wide variety of problems, the Charter must recognize and take into account the different situations and needs of various countries. However, care should be taken to avoid exceptions and expedients which conflict with the general objective of reducing trade barriers and removing discriminations to the greatest possible extent. The draft Charter now contains a good many qualifications and escape clauses applying particularly to the vitally important parts of the agreement that relate to quantitative restrictions on trade. Good arguments can be made, and are made, for each of these. But we must guard against the danger that if too many of them are included the sum and substance of them all, taken together, may undermine many of the positive benefits which the Charter is intended to give to each of the agreeing countries. Canadians are particularly concerned about any undue qualifications of commitments respecting agricultural products, exports of which are of such great importance to us.